

## 10. CANTERBURY ECONOMIC DEVELOPMENT FUND – DEED OF TRUST

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The purpose of this report is to obtain Council approval for the establishment of a fund by Canterbury Development Corporation (CDC) to manage the interest allocation for economic development purposes from the Council's Endowment Fund.

### BACKGROUND

The Council has previously approved a process whereby the Canterbury Development Corporation manages the allocation of interest from the Endowment Fund which is provided by the Council for the purposes of economic development. The process of evaluating projects and determining how these funds should be allocated has been previously approved by the Council and is not the subject of this report.

It is proposed that periodically the interest earnings allocated in the Council's budget for the purposes of economic development will be transferred to the CDC to apply in accordance with the process previously established. The CDC propose the establishment of the Canterbury Economic Development Fund as a trust fund to keep these funds separate from other general resources of the Canterbury Development Corporation.

### PROPOSAL

A draft Deed of Trust has been prepared for CDC by Buddle Findlay which sets out the objects and powers of the Trust and the way in which it should be managed. The draft deed has been separately circulated to Councillors.

I have reviewed the document and consider that it is in order and appropriate to be executed by the Council as settlor. It is worth noting that the Council has the ability to determine when it will pay the income from the Capital Endowment Fund to the CDC and there are no obligations to pay specific amounts or at specific times. This will be determined as part of the Annual Plan process each year.

The Deed of Trust makes the fund a Charitable Trust and on winding up the funds can be distributed by the Trustee and the Settlor in accordance with the objectives of the trust.

While the establishment of this trust was not a requirement of the Council, it is a prudent way of handling these funds by the CDC and should be supported by the Council.

### NATURAL + PEOPLE + ECONOMIC STEP ASSESSMENT

#	CONDITION:	Meets condition ✓/0*	HOW IT HELPS MEET CONDITION:
<b>The Economic Step</b>			
E1	Effective and efficient use of all resources	✓✓	Clear separation of funds
E2	Job rich local economy	✓✓	Funds devoted to Economic Development
E3	Financial sustainability	✓✓	Clear - separate

#### Staff

**Recommendation:** That approval be given to fix the Common Seal to the Deed of Trust for the Canterbury Economic Development Fund.

#### Chair's

**Recommendation:** That the above recommendation be adopted.